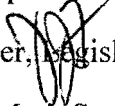


MEMORANDUM

TO: Government Operations and Fiscal Policy Committee

FROM: Justina J. Ferber,  Legislative Analyst

SUBJECT: **Discussion** – Merit System Protection Board (MSPB) Audit of Montgomery County Classification and Compensation Plans and Procedures

The following persons will be present for the worksession:

Bruce Wood, Chair, MSPB
Steve Sluchansky, Acting Director, OHR
Kaye Beckley, OHR, Manager, Division of Business Operations and Performance
Gino Renne, MCGEO

Previous GO Committee Discussions

The Government Operations and Fiscal Policy (GO) Committee met with the Merit System Protection Board (MSPB) in April and July 2012, to discuss the FY13 Classification and Compensation Audit. Funding was not included in the FY13 budget for the MSPB to conduct an audit which previously had been postponed several times until FY13. In January 2007, the MSPB received a very preliminary estimate from Towson University for a comprehensive audit for \$500,000. Keeping in mind the cost of private consultants, it was estimated that a comprehensive audit in FY13 could cost more than \$1,000,000. After discussing the audit with the Board, the Committee and Board agreed that the FY13 audit would be delayed one year for fiscal reasons. The Council adopted Resolution 17-520 on July 31, 2012, to delay the FY13 Classification and Compensation Audit until FY14 attached at ©1.

The Committee discussed alternatives to a comprehensive audit of the entire classification and compensation plan and procedures.

1. Pursue other estimates for the Classification and Compensation Audit.
2. Separate issues related to a comprehensive Classification and Compensation Audit and spread the audit over several years.
3. Delay the Classification and Compensation Audit for another year or two year.

4. Ask the Executive to submit an amendment to the Personnel Regulations repealing the requirement for a Classification and Compensation Audit every five years, or change the five years to another time frame.
5. Delay or delete the audit requirement and develop a system for conducting classification and compensation studies of all occupational classes over the next five years. (In consultation with MCGEO, management would develop a schedule and priority list for conducting occupational class studies and budget funding on a five-year schedule. Nonunion employees are most affected by individual studies so OHR would have to hire contractors or additional personnel to conduct studies. This would be an expedited approach to the current schedule of three studies per year and allow additional studies to be done. The union with their knowledge of recruitment, retention and compensation issues would assist in prioritizing the occupational classes under review.)

The Committee discussed these alternatives with the MSPB and there was agreement that the audit could be postponed for another year. Council staff recommended alternative No. 5 as an approach including the repeal of the five-year requirement for a Classification and Compensation Audit. While the Committee agreed to explore alternative No. 5, some Committee members felt that in fairness to all employees' classes, a comprehensive audit should be considered for FY14, if funding was available.

Committee members suggested that consideration might be given to using market studies as a basis for salary comparison rather than the complex QES system currently used. The Committee agreed to explore the recommendation to develop a system for conducting classification and compensation studies of all occupational classes over the next five years and agreed to meet with MSPB, OHR and MCGEO representatives in the fall to further consider this recommendation.

For the July meeting, OHR provided information related to classification studies done in last five years, studies in the pipeline and recommendations for future studies to be done under current resources which is attached at ©3.

Background - Classification and Compensation Audit

Section 33-7 (c) *Classification standards* of the Montgomery County Code provides for the following: **"The Board must conduct or authorize periodic audits of classification assignments made by the Chief Administrative Officer and of the general structure and internal consistency of the classification plan, and must submit audit findings and recommendations to the County Executive and County Council."**

The Code of Montgomery County Regulations (COMCOR), §33.07.01.09(h)(2)(A) provides: **"At least once every 5 years, the Merit System Protection Board (MSBP) must have a consultant who is a specialist in the field and independent of the County government conduct an objective audit of the entire classification and compensation plan and**

procedures." COMCOR §33.07.01.09(h)(2)(A) allows the MSPB to postpone the audit with the approval of the Council.¹

The County currently uses a Quantitative Evaluation System (QES) which is a quantitative, point-factor job evaluation system for determining the pay grade of occupational classes. The QES was designed to meet the needs of the County government for a single bias-free job evaluation system which can be applied to all County government merit system occupational classes. Responsibility for administering QES has been delegated to the OHR Director. The MSPB has not had any grievances over occupational issues for at least six years.

OHR annually (with the exception of 2011 when studies were suspended due to lack of funding) conducts studies of several encumbered occupational classes of County jobs. For FY12 and FY13 three occupational studies for each fiscal year are in the initial phase of a study for employees who are in MCGEO bargaining units. The three occupational studies are provided for in the FY12 and FY13 MCGEO contract and some portion of non-union jobs will be included if they relate to or are in the same class series as union jobs. *The occupational classes that are encumbered by employees represented by FOP and IAFF are not evaluated by using the point factor system, QES. The Police Officer and Fire Fighter/Rescuer series are standard job classes.* Where there is a need, OHR continues to create new occupational classes.

Meeting Discussion October 2012

The Office of Human Resources was requested by Council staff to provide a list of all merit system position classifications including the dates when each class had last been audited. **This material will be distributed at the October 22 meeting.**

In addition to OHR staff, MCGEO representatives were invited to participate in the meeting to discuss the delay of the proposed classification and compensation plan audit and other classification issues.

Issues for Committee discussion are outlined on the next page.

¹ By memorandum dated November 5, 2003, Harold Kessler, MSPB Chairman, requested a deferral of the FY05 audit of the Montgomery County Classification and Compensation Plans and Procedures explaining that the Board did not have any information indicating there is an immediate necessity, and did not see an absolute need to conduct an audit of the systems in FY05. He noted that the last audit dated April 25, 2001 found that the Office of Human Resources was administering the classification regulations, policies, and procedures in a manner prescribed. On May 4, 2004, the Council adopted Resolution No. 15-592, which approved deferral of the audit until FY08. On June 19, 2007, at the request of the MSPB, the Council adopted Resolution 16-193, which approved deferral of the audit until FY10. On June 16, 2009, at the request of the MSPB, the Council adopted Resolution 16-997, which approved deferral of the audit until FY11. On June 22, 2010, at the request of the MSPB, the Council adopted Resolution 16-1400, which approved deferral of the audit until FY13. On July 31, 2012, at the request of the MSPB, the Council adopted Resolution 17-520, which approved deferral of the audit until FY14.

Issues and Questions for Discussion

- What does “an objective audit of the entire classification and compensation plan and procedures” require? (County regulations require that at least once every five years, the MSPB must have a consultant who is a specialist in the field and independent of the County government conduct an objective audit of the entire classification and compensation plan and procedures.)
- Are there other methods for providing independent oversight of the classification and compensation system?
- Should the requirement for a five-year audit be changed since the County is financially unable to fulfill this mandate?
- Does the inclusion of classification issues in collective bargaining agreements require a new approach to oversight of the classification and compensation system?
- What is the opinion of MCGEO, OHR and MSPB on the five-year comprehensive objective audit requirement?
- Will funding be available for a comprehensive objective audit in FY14 or FY15 in view of the \$1,000,000 estimate?
- Are there more accurate and valid measurement systems to evaluate jobs, other than the use of the QES and Broad Banding systems?

Attachments: ©1 Resolution No. 17-520
©3 July 11, 2012, Memo from OHR re: Classification Studies FY07 to FY13
List of Merit System Position Classifications (to be distributed 10/22)

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Resolution No.: 17-520

Introduced: July 24, 2012

Adopted: July 31, 2012

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Government Operations and Fiscal Policy Committee

SUBJECT: Postponement of FY13 Audit of the Montgomery County Classification and Compensation Plan and Procedures

Background

1. The Code of Montgomery County Regulations (COMCOR), §33.07.01.09(h)(2)(A) provides: "At least once every 5 years, the Merit System Protection Board (MSPB) must have a consultant who is a specialist in the field and independent of the County government conduct an objective audit of the entire classification and compensation plan and procedures."
2. COMCOR §33.07.01.09(h)(2)(A) allows the MSPB to postpone the audit with the approval of the County Council.
3. By memorandum dated November 5, 2003, Harold Kessler, MSPB Chairman, requested a deferral of the FY05 audit of the Montgomery County Classification and Compensation Plans and Procedures explaining that the Board did not have any information indicating there is an immediate necessity, and did not see an absolute need to conduct an audit of the systems in FY05. He noted that the last audit dated April 25, 2001 found that the Office of Human Resources was administering the classification regulations, policies, and procedures in a manner prescribed.
4. On May 4, 2004, the Council adopted Resolution No. 15-592, which approved deferral of the audit until FY08.
5. On June 19, 2007, at the request of the MSPB, the Council adopted Resolution 16-193, which approved deferral of the audit until FY10.
6. On June 16, 2009, at the request of the MSPB, the Council adopted Resolution 16-997, which approved deferral of the audit until FY11.
7. On June 22, 2010, at the request of the MSPB, the Council adopted Resolution 16-1400, which approved deferral of the audit until FY13.

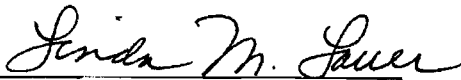
8. On July 16, 2012, the Government Operations and Fiscal Policy Committee discussed the audit with the Merit System Protection Board. It was noted there is no information indicating there is an immediate need to conduct the audit, and the FY13 Operating Budget did not include funds for an audit. The Committee and Board agreed that the audit should be deferred one year.
9. The Government Operations and Fiscal Policy Committee recommends the Audit of Classification and Compensation Plans and Procedures be postponed until FY14.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Audit of the Montgomery County Classification and Compensation Plans and Procedures is postponed until FY14, with the assumption that the following audit would be scheduled five years later unless the Council approves another deferral.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council



OFFICE OF HUMAN RESOURCES

Isiah Leggett
County Executive

Joseph Adler
Director

MEMORANDUM

July 11, 2012

TO: Stephen Farber, Director
Justina J. Ferber, Legislative Analyst
Office of the County Council

FROM: Joseph Adler, Director
Office of Human Resources

SUBJECT: MSPB Classification and Compensation Audit

OHR met with Ms. Justina Ferber to discuss the Classification and Compensation Audit prior to the up-coming GO Committee meeting. In recent years, OHR reduced staff and operational resources as it relates to classification studies. Therefore, there has been a moratorium on conducting classification studies. Below is a listing of studies that have been conducted in the last five years. As you will notice, prior to the moratorium that occurred beginning FY 11, OHR conducted on average ten studies per year. The listing below includes studies that are new occupational class creations or studies that the County and MCGEO have agreed to conduct during FY 11, FY 12 and FY 13.

LISTING OF OCCUPATIONAL CLASSES THAT HAVE BEEN OR WILL BE STUDIED

Department	Class title
FY 07	
Health and Human Services	Conservation Service Corp Crew Trainee
Department of Public Works and Transportation	Maintenance Renovation and Inspection Specialist
Department of Public Works and Transportation	Maintenance Renovation and Inspection Specialist
Libraries	Library Driver Clerk
Department of Liquor Control	Warehouse Supervisor
Department of Liquor Control	Assistant Warehouse Supervisor
Police Department	Crossing Guards
Housing and Community Affairs	Housing and Community Affairs Inspectors

FY 08	
Various	Graphic Artist I and II
Department of Corrections and Rehabilitation	Correctional Records Technician
Department of Public Works and Transportation	Transit Communications Supervisors
Department of Public Works and Transportation	Capital Projects Manager
Department of Libraries	Librarian I, and II
Department of Libraries	Librarian Technician
Department of Libraries	Librarian Assistant I and II
Department of Libraries	Library Desk Assistant
Department of Libraries	Library Associate
Department of Libraries	Library Assistant Supervisor
Department of Public Works and Transportation	Facilities Maintenance Supervisor
Department of Public Works and Transportation	District Supervisor
Various	Program Manager I and II
Various	Program Specialist I and II
FY 09	
Department of Transportation	Construction Representative III
Various	Data Entry Operator
Finance Department	Occupational Safety and Health Specialist
Police Department	Police Services Assistants
Various	Public Administrative Assistants
Department of General Services	Print Mail Records Services Manager
Department of General Services	Welder
Department of General Services	Property Manager I and II
FY 10	
Various	Engineer III
Department of Health and Human Services	Community Health Nurse
Department of Health and Human Services	Licensed Practical Nurse
Department of General Services	Parking Meter Mechanic
Department of Transportation	Transit Contract Compliance Specialist
FY 11	
Police Department	Forensic Fire Arms/Tool Mark Examiner
FY 12	
Police Department	Traffic Enforcement Field Service Technician
Department of Corrections and Rehabilitation	Residential Supervisor III
Public Information Office	Customer Service Representative Trainee, I and II
Health and Human Services	School Health Room Aides
Department of Transportation	Equipment Operator I, II and III
Department of Corrections and Rehabilitation	Correctional Dietary Officer

FY 13	
Police	Automated Traffic Enforcement Field Technician
Department of General Services	Public Service Crafts Worker
Department of Fire Rescue Services	Fire and Rescue Service Mechanic Technician I, II and III

If you have any questions please contact me by email at Joseph.Adler@montgomerycountymd.gov or on phone 240-777-5010 or Kaye Beckley by email at Kaye.Beckley@montgomerycountymd.gov or on phone 240-777-5041.

JA/kb

cc: Kathleen Boucher, ACAO